

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7310

BILL NUMBER: HB 1325

NOTE PREPARED: Feb 2, 2004

BILL AMENDED: Feb 2, 2004

SUBJECT: State Technology Advancement and Retention.

FIRST AUTHOR: Rep. Hasler

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill creates the State Technology Advancement and Retention (STAR) Account to advance technology and retain graduates in Indiana by funding certain grant programs.

Effective Date: Upon passage; July 1, 2004.

Explanation of State Expenditures: (Revised) *STAR Account and Spending of STAR Account Funds:* The bill establishes the State Technology Advancement and Retention (STAR) Account within the state General Fund. The Account consists of money, including federal money, appropriated by the General Assembly and any gifts or grants. **This bill does not contain an appropriation to the STAR Account.** The bill provides that an appropriation, a gift, or a grant may be designated for one or more purposes listed below. Money in the STAR Account reverts to the state General Fund. The bill allows expenses for administration of the STAR Account, and of programs funded from the STAR Account, to be paid from the STAR Account. However, these payments may not exceed 2% of the balance in the Account. The bill State Budget Agency must approve administrative expenses taken from the account. Under the bill, the money in the STAR Account is annually dedicated to:

- (1) the Certified School to Career Program and Grants.
- (2) the Certified Internship Program and Grants.
- (3) the Indiana Economic Development Partnership Fund.
- (4) Minority Training Program Grants.
- (5) Technology Apprenticeship Grants.
- (6) the Back Home in Indiana Program.
- (7) the Indiana Schools Smart Partnership.
- (8) the Scientific Instrument Project.

(9) the Coal Technology Research Fund.

Certified School to Career Programs and Grants: The bill authorizes the Department of Workforce Development (DWD), in consultation with the Department of Education (DOE), to certify school to career programs that provide job training, classroom instruction, and employment to secondary and postsecondary students. These students must be 16 to 24 years of age, and participation in the school to career program must be a part of the students secondary or postsecondary school education. The bill allows the DWD to impose an application fee on entities applying to sponsor a certified program. The fee is to be used by the DWD to defray the costs of processing the application and investigating the applicant. The bill authorizes the DWD to issue a grant from funds in the STAR Account to an employer that employs a participant in a certified school to career program in an amount determined by the DWD. The bill provides that the grants are subject to approval by the State Budget Agency.

Certified Internship Programs and Grants: The bill authorizes the DWD, in consultation with the DOE, to certify internship programs operated by public and private institutions of higher learning for part-time and full-time students. A certified internship program must integrate curriculum with career internships, place students in career internships with employers providing supervision and payroll and personnel services the same as for regular part-time employees. The bill authorizes the DWD to issue a grant from funds in the STAR Account to an employer that employs at least one student through a certified internship program in an amount determined by the DWD. The bill provides that the grants are subject to approval by the State Budget Agency.

Indiana Economic Development Partnership Fund: This fund exists under current statute to provide grants for certain economic development initiatives. The bill shifts administration of grant application and approval procedures to the Indiana Department of Commerce under agreement with the State Budget Agency (SBA). (The SBA currently fulfills these functions.) The bill also requires the SBA to contract with Purdue University for staff support in providing grants relating to the expansion of the Purdue Technical Assistance Program the Purdue Rural/Community Economic Development Regional Outreach Program. The bill expands certain purposes for grants from this fund. A non-code provision of the bill requires that during FY 2005 grants of \$200,000 from the STAR Account that is dedicated to the Indiana Economic Development Partnership Fund be made to the East Central Indiana Technology Transfer Program administered by Ball State University and the Southwestern Indiana Technology Transfer Program administered by Southern Indiana University. The grants are to be used in establishing and operating technology talent programs. This bill does not contain an appropriation for these grants.

Minority Training Program Grants: The State Human Resource Investment Council is required to develop a program to provide grants to minority training programs for minority students. The bill provides that the grants are to be paid from money in the STAR Account. The grants must be used for programs to enhance training in technology advancement for minority students and for generalized training programs for minority students. The bill provides that the grants are subject to approval by the State Budget Agency.

Back Home in Indiana Program: The State Human Resource Investment Council is required to develop a program to provide for grants or contracts to develop the Back Home in Indiana Program. The bill provides that the grants are to be paid from money in the STAR Account. The Program must track graduates of Indiana public and private colleges and universities; and periodically contact graduates regarding job opportunities in Indiana. The bill provides that the grants are subject to approval by the State Budget Agency.

Technology Apprenticeship Grants: The bill requires the Department of Education (DOE), in consultation with the Department of Labor, to develop a grant program to provide grants for apprenticeships in the area

of technology. The bill provides that the grants are to be paid from money in the STAR Account. The bill requires the agencies to develop standards for the issuance of grants to business and unions that are working to enhance the apprenticeship skills of apprentices. The bill provides that the grants are subject to approval by the State Budget Agency.

Smart Partnership Grants: The bill requires the Department of Workforce Development (DWD) to establish guidelines for making grants to the Indiana Schools Smart Partnership. The bill provides that the grants are to be paid from money in the STAR Account. The Partnership is established to create partnerships between school and local businesses to make math and science relevant to students. The bill provides that the grants are subject to approval by the State Budget Agency.

Coal Technology Research Fund: This Fund exists under current statute to provide money for the Center for Coal Technology Research. Under current statute the State Budget Agency administers the Fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education; Department of Workforce Development; Indiana Department of Commerce; Department of Labor; State Human Resource Investment Council.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jim Landers, 317-232-9869; John Parkey, 317-232-9854.